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AGENDAS and MINUTES

Board of Environmental Review

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March 6, 2009	Teleconf Agenda		
January 23, 2009	Agenda		
December 5, 2008	Agenda		
October 3, 2008	Agenda	Draft Minutes	Meeting
August 8, 2008	Agenda	Draft Minutes	Meeting
May 30, 2008	Agenda	Minutes	Meeting SME TRC
April 21, 2008	Agenda	Minutes	Mtg SME
February 8, 2008	Agenda	(Hearing, no minutes)	Meeting
January 22 & 23, 2008	Agenda	Minutes	1/22am 1/22pm 1/23
January 11, 2008	Agenda	(Hearing, no minutes)	Hearing
December 21, 2007	Agenda	(Hearing, no minutes)	Hearing
November 30, 2007	Agenda	Minutes	Meeting
September 28, 2007	Agenda	Minutes	Meeting
July 27, 2007	Agenda	Minutes	Meeting
June 1, 2007	Agenda	Minutes	Meeting
March 29, 2007	Agenda	Minutes	(none)
January 26, 2007	Agenda	Minutes	Meeting
December 1, 2006	Agenda	Minutes	Meeting
October 25, 2006	Agenda	(Hearing, no minutes)	Hearing
October 16, 2006	Agenda	Minutes	(none)
October 11, 2006	Agenda	Minutes	Meeting
September 15, 2006	Agenda	Minutes	Meeting
July 21, 2006	Agenda	Minutes	Meeting
June 2, 2006	Agenda	Minutes	Meeting
March 23, 2006	Agenda	Minutes	(none)
February 3, 2006	Agenda	Minutes	(none)
December 1 & 2, 2005	Agenda	Minutes	(none)

November 14, 2005	Agenda	Minutes	(none)
November 9 & 10, 2005	Agenda	Minutes	(none)
September 30, 2005	Agenda	Minutes	(none)
July 29, 2005	Agenda	Minutes	(none)
June 3, 2005	Agenda	Minutes	(none)
May 3, 2005	Agenda	Minutes	(none)
April 1, 2005	Agenda	Minutes	(none)
January 28, 2005	Agenda	Minutes	(none)

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for Transcript 7/12/23

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BEFORE THE BOARD OF ENVIRONMENTAL REVIEW
OF THE STATE OF MONTANA

IN THE MATTER OF:) CASE BER 2007-07-AQ
SOUTHERN MONTANA ELECTRIC)
GENERATION AND TRANSMISSION)
COOPERATIVE - HIGHWOOD)
GENERATING STATION)
AIR QUALITY PERMIT NO. 3423-00)

TRANSCRIPT OF PROCEEDINGS - VOLUME III

Heard at Room 111 of the Metcalf Building
1520 East Sixth Avenue
Helena, Montana
January 23, 2008
8:00 a.m.

BEFORE CHAIRMAN JOSEPH RUSSELL;
BOARD MEMBERS LARRY MIRES, HEIDI KAISER, GAYLE
SKUNKCAP, BILL ROSSBACH, ROBIN SHROPSHIRE,
and DON MARBLE

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*for transcript of
11/22/PM.*

1 A. Mr. Chairman, members of the Board, for the
2 record, my name is Eric Merchant, and I am an air quality
3 specialist with the Montana Department of Environmental
4 Quality's Air Resources Management Bureau.

5 Q. And how long have you been employed with the
6 Department's air quality program?

7 A. Just under nine-and-a-half years.

8 Q. Would you please describe your current position
9 with the Department.

10 A. Currently, I have just taken a new position with
11 the Department. I am in air quality program development
12 in the Air Quality Policy and Planning Section.

13 Q. Would you please describe any previous positions
14 that you've held with the Department.

15 A. Prior to that, up until a couple of months ago,
16 for a period just over nine years, I was in the Air
17 Quality Permitting Section, and within that position -- I
18 had a couple different positions within the Air Quality
19 Permitting Section, beginning with coming in and working
20 with portable-type sources and some other smaller, minor
21 sources. And then over the last several years, I've been
22 working in permitting major sources -- actually, the whole
23 gamut of sources, but primarily in major source
24 permitting.

25 Q. Before you came to work for the Department, did

1 you hold any previous positions in the environmental
2 field?

3 A. Just prior to coming to work for the Montana
4 Department of Environmental Quality, I was an air
5 quality -- I'm sorry, an environmental consultant, working
6 on issues in air, water, waste, all those types of issues.

7 Q. And would you please describe for Board any
8 college education that you've received related to your
9 employment with the Department.

10 A. I have a bachelor of science in biology, a
11 minor in -- and a minor in environmental studies, and then
12 I also have an MPH, a master's in environmental and
13 occupational health.

14 Q. Mr. Merchant, have you taken any training courses
15 related to your employment for the Department that dealt
16 specifically with PSD permitting?

17 A. I've taken many courses dealing with PSD
18 permitting; specifically, some introductory, intermediate,
19 and advanced courses in major new source review or major
20 NSR permitting, along with a gamut of training courses
21 that deals secondarily with BACT determination training,
22 effective permit writing dealing with major source
23 permitting. Just a series of training courses.

24 Q. How frequently have you attended training courses
25 related to air quality permitting?

1 A. I would say, on average, one or two, maybe three
2 courses a year.

3 Q. Do you have any rule development experience
4 related to air quality permitting?

5 A. I do.

6 Q. And could you describe that experience briefly
7 for the Board, please.

8 A. I was -- Based on litigation on another proposed
9 power plant in Montana, I was the lead writer of a rule
10 for presentation to the Board titled the "Montana Top-Down
11 BACT Rule" or "BACT Rule," and we presented that -- we
12 presented that to the Board for an initiation, and it was
13 not adopted by the Board.

14 And in addition to that, I was the lead rule writer on
15 a rule -- well, essentially, modification of our rules to
16 incorporate the federal new resource review reform rules.
17 In that case, Montana ultimately made a determination
18 or sent a determination to the federal EPA indicating that
19 our program was at least as stringent or more stringent
20 than the proposed -- or the new resource review reform
21 package, and so we did not adopt those rules either.

22 And then one other rule that I worked on for adoption
23 by the Board was our initial -- our initial rule
24 development project for registration of minor sources,
25 and, specifically, portable-type sources, registration or

1 between those technologies.

2 A. A dry ESP would be collecting the
3 particles, the pollutants in a dry process;
4 whereas a wet ESP would have a wet substrate on
5 the collection plate, or the cleaning would be
6 accomplished through a wet process.

7 The teflon bag in this case would be a
8 coating on the fiberglass bag, and the fiberglass
9 bag would be, in this context, just a standard
10 fiberglass filter bag.

11 MR. SKUNKCAP: Thank you.

12

13 EXAMINATION

14 BY MS. SHROPSHIRE:

15 Q. So you said that you used a top down
16 BACT approach for this permit?

17 A. The applicant used a five step process,
18 which I would generally describe as a top down
19 BACT process.

20 Q. So in a top down BACT process, is LAER a
21 requirement?

22 A. LAER is not associated with BACT. BACT
23 is a process, and LAER is a process. LAER is
24 applicable to the analysis of a project proposing
25 operations in an area deemed nonattainment for a

1 specific pollutant. BACT is a process that is
2 conducted in an area -- a pollutant specific
3 process that is conducted for a project in an area
4 that is achieving or is unclassified for the
5 National Ambient Air Quality standards.

6 Q. But within a top down BACT -- not
7 regular BACT, but top down BACT -- is LAER the
8 first step in that process?

9 A. No. The first step in the BACT process
10 is to evaluate the available controls. Should I
11 generally go through the process again?

12 CHAIRMAN RUSSELL: Generally.

13 A. In general, Step 1 in the five step
14 process which we're characterizing as a top down
15 process is analyze the available control
16 technologies for that pollutant; Step 2 would be
17 to eliminate technically --

18 Q. (By Ms. Shropshire) I'm just looking
19 here at Exhibit 1, Page B-5.

20 MR. REICH: Mr. Russell, and members of
21 the Board, if it would help, we do have a chart
22 that was stipulated to and also in. Right after
23 Tab 20 is the five step BACT process illustrated.
24 For information, we could put up that chart.

25 CHAIRMAN RUSSELL: You folks put it up

1 on your chart.

2 MR. REICH: Would you like us to do that
3 again?

4 CHAIRMAN RUSSELL: It might be helpful
5 since this is the top down BACT process.

6 MR. MARBLE: Page B-6, Exhibit 1.

7 Q. (By Ms. Shropshire) B-6 is the next
8 page, Step 1. It says, "List as comprehensive
9 LAER included." Can you explain that.

10 A. Again, identifying all control
11 technologies. LAER means the Lowest Achievable
12 Emission Rate. That wouldn't be something -- You
13 wouldn't list that as a control technology. That
14 would be an emission rate -- that is analyzed
15 through the process. We certainly look at the --
16 As I've discussed in my testimony today and
17 yesterday, that's part of the process, that we're
18 going to, at some point in the process, look at
19 what is the rate out there that's being achieved,
20 the lowest rate out there that's being achieved.
21 But that doesn't mean that that's BACT.

22 Q. Just in terms of this document, did you
23 follow that? In terms of the lowest achievable --
24 In listing the control technologies, did you
25 include the best -- or sorry -- the lowest

1 achievable or include LAER?

2 A. Ms. Shropshire, members of the Board, in
3 listing all the available control technologies in
4 Step 1, that is again project specific. We're
5 going to look at what control technologies for a
6 specific pollutant can we look at for this
7 project. If you look, in parentheses, it does say
8 LAER is included on Page B-6.

9 If you look at the discussion of what
10 the first step is on a previous page, as you
11 pointed me to, what you're looking at is you're
12 looking at what are the available control
13 technologies that are out there to achieve that
14 maximum reduction.

15 In practice, it would seem to me that
16 including in Step 1 the analysis of what is the
17 best that's being achieved out there, that's not
18 typically how it's practiced. We look at the
19 available control technologies for that project,
20 and then we eliminate them, and then we rank them.

21 Q. I'm sorry to interrupt. I'm just going
22 to read. "Technologies required under Lowest
23 Achievable Emission Rate (LAER) determinations are
24 available for BACT purposes, and must also be
25 included as control alternatives and usually

1 represent the top alternatives."

2 A. Okay. Yes. Those technologies that are
3 associated with the LAER determination that would
4 have been made for a project in a nonattainment
5 area for that pollutant, those are certainly
6 technologies that are evaluated. Again, the top
7 technologies, all the top technologies are -- all
8 technologies, including the top technologies, are
9 included in that Step 1. And to the extent that a
10 facility that's operating in a nonattainment area
11 and is subject to LAER is incorporating that same
12 technology, yes, that is certainly a technology
13 that we're looking at.

14 Q. Do you know which plant has the lowest
15 emission limit in the United States for PM10?

16 A. I believe that that was provided in the
17 application, and I believe there is a River Hill
18 facility, I think, that's permitted at 0.010
19 pounds per million Btu, and I would need to refer
20 to the list. There is another one. The River
21 Hill facility was not included in the application.

22 Q. Do you know what control technology they
23 used?

24 A. It is my understanding through my own
25 research that they are incorporating a fabric

1 filter baghouse.

2 Q. And other control technologies?

3 A. That's not my understanding. Based on
4 the available information that I've reviewed, I
5 believe they're incorporating a fabric filter
6 baghouse to comply with that limit.

7 Q. Do you know if they have a condensible
8 limit?

9 A. Ms. Shropshire, members of the Board, I
10 would need to review the information to determine
11 whether or not they do, that facility
12 specifically.

13 Q. Why did you focus on condensibles in the
14 BACT?

15 A. Ms. Shropshire, members of the Board, I
16 conducted an analysis -- Well, the applicant
17 provided an analysis of condensible emissions from
18 this project. In fact, they conducted a
19 comprehensive study of what we would expect for
20 condensibles based on the precursor emissions,
21 precursors condensible PM10 emissions, what would
22 be left over after control.

23 Q. When you say "precursor," can you
24 explain. What do you mean by that?

25 A. Condensible emissions are -- Condensible

1 particulate emissions are emissions that are in
2 gaseous or vapor form as they pass through the
3 control technologies; and then when they enter the
4 atmosphere, they would condense into a
5 particulate. So the precursor pollutants are
6 those pollutants that when they're in the process
7 or in the flue gas, they are a gaseous or vapor
8 form, and then later they will condense. So
9 they're precursors to the condensible particulate.

10 Q. Sorry to interrupt. Why did you focus
11 on condensibles in your BACT?

12 A. Because there was an analysis provided
13 for condensible emissions, and we have, as an
14 agency, begun looking at condensible PM emissions
15 through the BACT process -- I believe this is the
16 second permit that we've conducted that analysis
17 for. And so based on information provided in the
18 application specific to this project, we had an
19 understanding of what those condensible emissions
20 would be, and therefore, I reviewed the analysis
21 for BACT purposes.

22 Q. I think it was yesterday you were
23 talking about emission factors for PM2.5, and you
24 said that you couldn't find emission factors for
25 any CFB in the country; is that correct?

1 A. Ms. Shropshire, members of the Board,
2 I'm not aware of any direct PM2.5 emission factors
3 for this project for this type of a process. In
4 fact, I'm generally not aware of PM2.5 emission
5 factors for any process.

6 Q. I guess one of my areas of confusion
7 that I have is -- Let's just look on Exhibit 7,
8 Page 40, where it's talking about control
9 efficiencies. The permit has an actual rate in
10 the permit, correct? Pounds. But this
11 information is efficiencies. And where I'm having
12 trouble is taking this 90 percent plus or minus --
13 who knows -- 80 percent plus or minus -- who knows
14 what. It's confusing to me. We've got this dry
15 FGD, and FFB, or ESP, and then these ballpark
16 numbers.

17 And so in terms of the BACT process,
18 which as I understand it, you look at control
19 technologies, and then come up with a rate, is
20 that correct, in the end?

21 A. Yes.

22 Q. How that permit limit -- It just seems
23 to me that it's backwards, and I'm confused by
24 that. How do you come up with a pounds rate when
25 you've got these numbers that -- As a scientist,

1 when I look at this number -- 90 percent, 80
2 percent -- that's plus or minus who knows what.
3 Those aren't very accurate numbers.

4 So how do you come up with a number as
5 precise as the one you have in the permit?

6 A. Ms. Shropshire, members of the Board,
7 these are generalized control efficiencies here.
8 As we read into the record as part of my
9 testimony, there isn't that much concrete
10 information out there regarding the control of
11 these precursor emissions to condensible PM for
12 any of these control options.

13 Therefore, the information that was
14 provided in the application, that ultimately
15 resulted in a pound per million Btu heat input to
16 the boiler, is based on this specific boiler, and
17 is the best information that's available when
18 considering those types of emissions, those
19 precursor emissions, leading to the overall
20 condensible -- and those are based on that overall
21 condensible PM10 efficiency of approximately 90
22 percent.

23 Q. Is there some analysis that goes
24 through, or is it some vendor's certificate that
25 says, "This is how we come up with that emission

1 number"? It's just when you look at all of these
2 plants across the country, they magically come up
3 with the same number, and I just find that crazy.

4 A. Ms. Shropshire, members of the board, I
5 don't think there is a magical process or number
6 for this. What the vendor --

7 This is information coming from the
8 vendor, as is stated in the application and in my
9 summary, I believe. And so what is happening here
10 is the vendor is analyzing what are the
11 uncontrolled emissions from our boiler, using
12 Powder River Basin coal, a dry FGD, followed by a
13 fabric filter baghouse, and an ESP, what kind of
14 reductions are we getting based on that
15 uncontrolled number.

16 Q. So that final PM number, is that pounds?
17 That rate, is that provided by the vendor, or is
18 the efficiency number provided by the vendor?

19 A. The pounds per million Btu rate is
20 provided by the vendor. We analyze that based on
21 what we're seeing -- through the BACT process. If
22 you look at Page 42 of that exhibit, that provides
23 a summary of the precursor emissions or the
24 constituents of the condensible PM10 emissions.

25 Q. And I guess that's the other part that's

1 confusing to me, because if you look at the
2 condensibles -- which as I understand it are the
3 part that are -- in terms of human health, the
4 part where we're most concerned about. Ten years
5 ago, EPA said, "Hey, guys. This stuff is bad for
6 you. Let's focus on this." We need to pay
7 attention to the 2.5, which seems to be synonymous
8 with condensibles; is that correct?

9 A. As a person that lives and breathes the
10 air out there, I am concerned with health effects.
11 However, as a regulator, my basis for my decisions
12 is on what the law requires.

13 Q. I appreciate that. In terms of why EPA
14 started to focus on the 2.5 -- and I don't know.
15 Is it fair to say that the 2.5 and condensibles
16 are kind of the same thing? Is it fair to lump
17 those together?

18 A. Ms. Shropshire, members of the Board,
19 it's fair to say that my understanding, based on
20 the information I've been able to verify, is that
21 most of the condensible PM emissions are going to
22 be in the size range of 2.5 microns or smaller.

23 Q. Then when we look at Exhibit 4, Page
24 5-48, and 5-49, for HF -- which is one of the main
25 condensibles -- we're ranked eleventh in the

1 country; and for the other one, we're at the
2 eighth. And so a lot of these -- There is plants
3 here that were permitted in 2000.

4 And so I'm having trouble understanding
5 how we're looking at the best technologies and
6 that we can't do better than someplace in Texas.

7 A. Ms. Shropshire, members of the Board,
8 you are correct that they do rank -- according to
9 this table, SME's plant, permitted limit for the
10 plant isn't the top control technology, or isn't
11 the top emission rate, best emission rate.

12 However, it's generally well understood
13 that when analyzing these pollutants specifically,
14 there is a lot of unknowns. Again, it's specific
15 to the fuel. You're not to get much sulphuric
16 acid mist out of utilizing one fuel as you will
17 another fuel. So you're looking at this project
18 on a case-by-case basis, what is happening with
19 this boiler, using this coal, using these
20 controls.

21 And so it may not be the best, but for
22 the purposes of BACT, it's the best that this
23 facility, using that coal, can achieve. That is
24 what BACT is.

25 Q. I'm not sure that the best in the

1 country is even on here, so -- there may be more.
2 But the other thing that I don't understand is --
3 Just help me. When you looked at condensibles and
4 BACT, or the BACT for condensibles, you looked at
5 SO2 and filterables; is that correct?

6 A. Ms. Shropshire, members of the Board,
7 what I looked at were the available control
8 technologies for the precursor pollutants to
9 condensible PM10; and as it turns out, those
10 controls that are the best or top controls for the
11 condensible precursors also are the same controls
12 that were deemed BACT for SO2 and filterable PM10.
13 So they're already employing those top controls
14 for other pollutants, SO2 and filterable PM, and
15 we're getting a co-benefit control, the top
16 co-benefit control for these precursor emissions.

17 Q. And I'm not trying to disagree with you.
18 But from the testimony that Mr. Taylor gave, and
19 from my understanding, the baghouses aren't the
20 most efficient way to reduce condensibles.

21 A. Ms. Shropshire, members of the Board,
22 I'm not going to speak for Mr. Taylor. He speaks
23 for himself.

24 My understanding of the controls that we
25 looked at for this process is that the fabric

1 filter actually provides additional co-benefit
2 control for H₂SO₄ and acid gases, which are major
3 constituents of the condensible PM₁₀; whereas the
4 wet ESP doesn't have that same capability.
5 Therefore, I deemed, or I agreed with the analysis
6 that said these are the top control technologies.
7 You're going to get that co-benefit control.

8 And the information provided in the
9 application and my own independent research
10 resulted -- or led me to the determination, or
11 agreement with the determination that the fabric
12 filter baghouse, the dry flue gas desulphurization
13 unit followed by a fabric filter baghouse is the
14 top control.

15 Q. From what you know now, do you believe
16 that the wet ESP is the best technology to reduce
17 condensibles?

18 A. Ms. Shropshire, members of the Board,
19 no, that's not my conclusion at this time from my
20 knowledge, based on the information that I've
21 seen. In fact, I would believe that our
22 determination is backed up by the most recent EPA
23 permit, which stated that fabric filter control is
24 the top control.

25 Q. For condensibles?

1 A. For filterable and condensible
2 emissions.

3 Q. But just condensibles alone?

4 A. I would need to look back at the Deserit
5 permit that is in evidence. However, it's my
6 understanding that they deemed the fabric filter
7 to be the top control in that case as well, and
8 dismissed the use of a fabric filter followed by a
9 wet ESP.

10 Q. So in your analysis, you never analyzed
11 condensibles separately? You combined the two?

12 A. That's incorrect. We analyzed
13 separately filterable PM10; and then in addition
14 to that analysis, we analyzed condensible PM based
15 on the control of the precursors leading to
16 condensible PM.

17 Condensible PM is a little bit
18 different, in that it's not a direct emission --
19 you're controlling the precursors to that
20 pollutant -- versus the filterable is a
21 filterable, solid, physically solid particle
22 that's being collected by the fabric filter
23 baghouse in this case. The condensibles are being
24 controlled as a precursor. Does that make sense?

25 Q. I'm not sure.

1 A. When the precursors to condensible PM
2 enter the atmosphere, they form a particulate.

3 Q. Right, or a liquid, or a solid?

4 A. A mist. They form a particulate. Once
5 they enter the atmosphere and condense, they're
6 considered a condensed particulate emission.

7 Q. Not particulate anymore?

8 A. To get control of that, so that that
9 doesn't happen, so that those precursors don't
10 enter the atmosphere, you control the precursor
11 itself.

12 Q. So sulphuric acid. You look at how you
13 would control sulphuric acid in that control
14 technology?

15 A. Yes. Well, essentially in this case, a
16 flue gas desulphurization unit, and that in
17 combination with the fabric filter baghouse we
18 deem is the top flue gas desulphurization; dry
19 flue gas desulphurization unit, is the top control
20 in SO₂. SO₂ in the flue gas stream is going to
21 ultimately lead to SO₃, H₂SO₄. You're going to
22 get some of those emissions. And those are
23 precursors to condensible PM. So we are employing
24 the top control technology for the precursor
25 itself.

1 Q. So maybe I'll ask it a different way.

2 If you had done it for, let's say, HF and
3 sulphuric acid directly, would you have come up
4 with a different result?

5 A. Ms. Shropshire, members of the Board, we
6 did that analysis for H₂SO₄, acid gases, and acid
7 gases including HCL and HF, which are the primary
8 acid gases. We analyzed available control
9 technologies for those pollutants which happened
10 to be precursors to condensible PM, and the result
11 was that after listing the available control
12 technologies and ranking those control
13 technologies for those pollutants, it so happens
14 that those are already being employed as BACT for
15 SO₂ and filterable PM.

16 Q. So the results for BACT for sulphur and
17 acid gas would be identical to doing one for the
18 precursors? I'm just making sure that I'm not
19 confusing those two things.

20 A. Ms. Shropshire, would you ask that
21 question again?

22 Q. I guess where I'm confused is you talk
23 about the precursors, using the precursors instead
24 of directly doing for condensibles, or are you
25 saying that those are the same thing?

1 A. Ms. Shropshire, members of the Board, it
2 might be clearer if I state that you can't -- The
3 condensable PM is not particulate matter when it's
4 in the process, so I can't imagine a control
5 technology that's going to get the condensed
6 particulate matter because it's not going to be
7 condensed particulate matter until it exits the
8 stack.

9 Therefore, what we're trying to do is
10 we're trying to provide the best control of those
11 pollutants that when prior to leaving the stack
12 are -- we're trying to -- they're precursors.
13 They're ultimately going to condense into
14 particulate matter. So we're controlling those
15 precursors to avoid getting condensed particulate
16 matter.

17 Q. I guess that's why when I think of
18 condensable, it's not condensed yet. And so
19 condensable is the same as a precursor; is that
20 correct?

21 A. Condensable --

22 Q. Something that's not condensed yet.

23 A. Yes.

24 Q. And those precursors were SO2 or -- what
25 were the precursors exactly?

1 A. The primary precursors, based on the
2 information that I have available to me, the
3 primary precursors for this process are H₂SO₄ or
4 sulphuric acid mist, hydrochloric acid gas
5 emissions, hydrofluoric acid emissions, trace
6 metals, I believe VOC's. We can look at the
7 table.

8 Q. But you did your BACT for SO₂ and the
9 filterable part for the condensibles? That's the
10 part that I'm confused about.

11 A. Ms. Shropshire, members of the Board,
12 I'll try to take a step back and provide an answer
13 that is as clear -- This is as clear as I can
14 state it, or I'll try.

15 We conducted a BACT analysis for the
16 precursors of condensible PM. So we went through
17 Step 1. We evaluated -- or I reviewed a BACT
18 analysis. In Step 1, we identified the available
19 control technologies for these precursor
20 emissions. In Step 2, we eliminated any
21 technically infeasible options. In Step 3, we
22 ranked the remaining control efficiencies for
23 those precursors to condensible PM, and the top
24 control technologies for those precursors were
25 those controls that were already deemed BACT for

1 S2 and PM10. Therefore, those control
2 technologies constitute BACT. There is no further
3 analysis required.
4

5 EXAMINATION

6 BY CHAIRMAN RUSSELL:

7 Q. Eric, did you have an opportunity to
8 review the Deserit application prior to making the
9 Department's final decision?

10 A. No.

11 MS. SHROPSHIRE: I wanted to read one
12 other thing that or comment or I have a question
13 about.
14

15 RE-EXAMINATION

16 BY MS. SHROPSHIRE:

17 Q. So under Tab 6, Page 20652, I think the
18 third one in, it says, "Notwithstanding the issues
19 and uncertainties related to condensible PM, EPA
20 encourages states to identify measures for
21 reducing condensible PM emissions, particularly
22 where these emissions are deemed significant
23 contributions to the control strategy needed for
24 expeditious attainment. We wish to clarify that
25 in order to take credit in the SIP for reduction

1 Q. Why do you and SME come up with
2 different numbers?

3 A. I can't speak for SME. And in
4 particular, this email is not something that I had
5 available to me in my review. I don't know why
6 they chose to propose a limit of 0.015. Through
7 the BACT process, I determined that 0.015 pounds
8 per million Btu filterable particulate does not
9 constitute BACT for this project.

10 Q. Is PM2.5 regulated?

11 A. Yes.

12 MS. SHROPSHIRE: I think I'll stop
13 there.

14 CHAIRMAN RUSSELL: Next.

15

16 EXAMINATION

17 BY MR. ROSSBACH:

18 Q. Let me take a few minutes here, or maybe
19 more than a few minutes, depending on how it goes.

20 MR. ROSSBACH: David, could you give Mr.
21 Merchant the stipulated -- this is the joint
22 prehearing memorandum.

23 Q. (By Mr. Rossbach) And I'd like to start
24 with Page 4 of the Petitioners' factual
25 contentions. But let me begin by saying first:

1 I've got a lot of questions, Eric, and I really
2 appreciate your saying, "Members of the Board, but
3 can we pass on that a little bit. I think it's
4 very respectful, and the training you've had as a
5 witness is excellent in that regard. But so we
6 can kind of move along, because saying my name
7 over and over again is going -- maybe that's to
8 slow me down. I don't know. But let's just kind
9 of go through the questions.

10 A. Certainly Mr. Rossbach, Mr. Chairman.

11 Q. Just have her take them all out of the
12 record anyways. I'd like to -- Because I'm German
13 and kind of methodical, I'd like to and want to
14 try to understand this and kind of get it in
15 context.

16 I'd like to go through the Petitioners'
17 factual contentions. Yesterday Mr. Rusoff spent a
18 lot of time telling us about you telling us,
19 asking you questions, that let us know what your
20 qualifications are, and the numbers of permits
21 you've reviewed, and the number of training
22 sessions you've been to, and your familiarity with
23 the federal record and things like that. So
24 hopefully we can kind of go through this and maybe
25 we can move it.

1 Let's just start -- I'm going to start
2 at the beginning, No. 1. "Reducing emissions of
3 PM2.5 is a major public health concern." Do you
4 agree with that?

5 A. Yes.

6 Q. And do you agree with the statement that
7 is quoted there from the Federal Register, or do
8 you have any reason to disagree with the EPA
9 statement that, "Decreasing PM2.5 in the ambient
10 air by only .5 micrograms per cubic meter can
11 prevent as many as 25 to 50 premature deaths each
12 year"? Any reason to disagree with that?

13 A. I have no reason to disagree with that.

14 Q. Then looking at two, "Microscopic
15 particles in the PM2.5 range are small enough to
16 lodge deep into the lungs. Even short term
17 exposure to PM2.5 is known to cause serious
18 respiratory illnesses, including asthma,
19 cardiovascular illness, heart attack, premature
20 death." Do you agree with that generally, as far
21 as you know?

22 A. I have no reason to disagree with that.

23 Q. And do you also agree that, "Those
24 particularly sensitive to PM2.5 exposure include
25 children, older adults, and people with heart and

1 lung disease"?

2 A. I have no reason to disagree with that.

3 Q. Getting into a little more technical
4 area on No. 3, it says, "PM2.5 is produced chiefly
5 by combustion processes and by atmospheric
6 reaction to various gaseous pollutants, and they
7 can remain suspended in the atmosphere for days to
8 weeks, and be transported many thousands of
9 kilometers." Is that generally consistent with
10 your understanding?

11 A. That makes sense to me, yes.

12 Q. Looking at No. 4, do you agree that,
13 "The Highwood, HGS, Highwood Generating Station
14 will be a major source of PM2.5 emissions, and
15 that the CFB boiler alone is anticipated to emit
16 299 tons of PM10 each year. Given that SME is
17 anticipated to achieve over 99 percent control
18 efficiency for filterable particulates in the
19 larger PM10 size range, and 80 to 90 percent
20 control efficiency for condensible particulate in
21 the larger PM10 size range, the vast majority of
22 the HGS uncontrolled PM emissions will be in the
23 smaller PM2.5 size range"? Do you agree with that
24 generally?

25 A. The term "major source" needs to be put

1 in context here. I have no way of knowing, based
2 on the lack of emission factors, reliable source
3 test methods, whether or not HGS is actually a
4 major source of PM2.5. I analyzed PM10 as a
5 surrogate for PM2.5.

6 Q. I understand what -- So let me ask you
7 that. You had available to you the boiler
8 manufacturer's data, did you not, as to what would
9 be emitted from the normal boiler processes for
10 the Alstom boiler that was going to be used at
11 this plant?

12 A. In respect to PM10 emissions, I have
13 what they determined would be the uncontrolled
14 emission rate for PM10.

15 Q. They didn't provide you, or they were
16 not able to provide you with a rate for 2.5?

17 A. The applicant did not provide me with
18 that information, and I am unable to get that
19 information on my own.

20 Q. Did you ask the applicant to request
21 from Alstom what their 2.5 uncontrolled emission
22 rate would be burning this particular coal in this
23 particular application?

24 A. I'm not certain if that's in the record.
25 My recollection is that I have had conversations

1 with their engineer regarding what would be
2 anticipated for PM2.5 emissions. I don't know
3 that, I don't know when that happened, in what
4 context that question would have been asked, other
5 than probably than through review of the
6 application.

7 Q. You were never provided that information
8 from the boiler manufacturer indirectly and then
9 through SME about what their uncontrolled 2.5
10 particulate would be?

11 A. That's correct. I was never provided
12 that information.

13 Q. And you never followed through? If it
14 was asked for, it was never followed through to
15 ensure that you had it available to you; is that
16 correct?

17 A. It was not provided to me, and I used a
18 surrogate analysis.

19 Q. I understand that, but the question I'm
20 asking you is: Did you ever follow through to try
21 to find out what 2.5 emissions would be expected,
22 uncontrolled emissions would be expected from the
23 Alstom boiler that Bison Engineering was proposing
24 for this project?

25 A. Mr. Rossbach, as I testified just

1 previously, it's my recollection that those
2 questions were asked at some point during the
3 process, but that we relied, in fall back because
4 that information was not available -- at least
5 that was what reported to me, that that
6 information was not available -- I relied on the
7 surrogate analysis. I have no way of -- If I
8 don't have the information, I can't use it.

9 Q. But can't you say that, "The application
10 is incomplete because I want that information"?
11 You could have done that, couldn't you?

12 A. That could have been done. To be
13 consistent -- Let me follow up. To be consistent
14 with how these emissions are typically analyzed, I
15 used guidance that's out there and available; and
16 therefore, it was my determination it would be
17 inappropriate to call the applicant deficient for
18 that reason.

19 Q. But it was something that you could have
20 done if you wanted to? You've asked for
21 additional information here, and at one point you
22 even asked them to do an -- conduct a particulate
23 matter with an aerodynamic diameter less than 2.5
24 microns ambient impact analysis. You asked them
25 to do that, didn't you?

1 A. Yes, based on PM10 emissions.

2 Q. Right. But you asked them to do an
3 additional analysis for 2.5, an ambient impact
4 analysis, did you not?

5 A. Yes.

6 Q. So you could have asked them, "Look. We
7 want to know what the 2.5 emissions, uncontrolled
8 emissions from this boiler are, because NAAQS --
9 we now have a NAAQS for 2.5. It's been in place
10 for ten years. We're looking at -- The EPA is
11 looking at it. We'd like to know what this would
12 be"? You could have done that, couldn't you?

13 A. I could have done that.

14 Q. So let's go back to the rest of this
15 question. "The CFB boiler is anticipated to emit
16 299 tons of PM10 each year;" is that correct?

17 A. PM10 filterable plus condensible.

18 Q. 299 tons approximately; is that correct?

19 A. Yes.

20 Q. Would you then look at the next sentence
21 here, and it says, "Given that SME is anticipated
22 to achieve over 99 percent control efficiency for
23 filterable particulate in the larger PM10 size
24 range, and 80 to 90 percent control efficiency for
25 condensible particulate in the larger PM size

1 range, the vast majority of the HGS uncontrolled
2 PM emissions will be in the smaller PM2.5 size
3 range;" do you agree with that?

4 A. I would agree with that statement.

5 Q. So now let's go to No. 5. No. 5 is
6 basically a citation from the 70 Federal Reg. Do
7 you have any reason to disagree with that
8 statement that the obligation to implement PSD was
9 triggered upon the effective date of the NAAQS for
10 PM2.5?

11 A. I'm sorry, Mr. Rosbach. Could you
12 point me to where you were again?

13 Q. I'm on No. 5. I'm just going down one
14 by one. No. 5. And it's referring to the
15 statement in the Federal Register. Do you have
16 any reason to agree, disagree, with the statement
17 made there by EPA that, "The obligation to
18 implement PSD was triggered upon the effective
19 date of the NAAQS for PM2.5"?

20 A. That would be when PM2.5 became a
21 regulated -- a pollutant subject to regulation.

22 Q. Right. And the obligation to implement
23 PSD was triggered upon that effective date?

24 A. That's correct.

25 Q. Then looking at No. 6, "The primary

1 health based PM2.5 NAAQS became effective over ten
2 years ago, and the 24 hour NAAQS have since been
3 revised to nearly twice as stringent in response
4 to extensive data regarding the health impacts
5 regarding PM2.5." Do you agree or disagree with
6 that?

7 A. I agree with that.

8 Q. Now, No. 7. "While the NAAQS has been
9 in effect for PM2.5 for over a decade, DEQ did not
10 require SME to undertake a BACT for PM2.5 during
11 the permitting process for HGS;" is that true?

12 A. That is not true.

13 Q. Well, I understand the surrogate, but
14 did you do a specific 2.5 where you set up a
15 matrix, and looked at the control technologies
16 specific for 2.5? You did not do that, did you?

17 A. That analysis is not technically
18 possible at this time.

19 Q. Well, we'll come to that in a minute.
20 But you did not do that, is the answer to the
21 question?

22 A. I did not directly require a PM2.5
23 analysis without using a surrogate.

24 Q. Look at No. 8. "Technologies for
25 control of PM2.5 emissions, both filterable and

1 condensible --" we'll take out the "readily
2 available" -- "are available" -- and I'll take out
3 "widespread" -- "use. Such technologies include
4 membrane bags which can reliably capture
5 filterable particulate down to .5 to .3 microns."

6 You heard the testimony of Mr. Taylor.
7 Do you have any reason to disagree with the
8 testimony of Mr. Taylor yesterday with regard to
9 the availability of membrane bags and the
10 filterable efficiency for those bags? Do you have
11 any reason to disagree with him?

12 A. I'm not aware of the membrane bag
13 technology through any BACT analysis that I've
14 seen. And the fabric filter is also capable of --
15 The fabric filter, as analyzed through our
16 process, is also capable of controlling filterable
17 particulate down to submicron size.

18 Q. Do you know what the relative efficiency
19 of membrane bags versus teflon bags is at
20 submicron size?

21 A. I do not know that information.

22 Q. Will you defer to Mr. Taylor with regard
23 to those particular technical issues?

24 A. (No response)

25 Q. Would you defer to his expertise in

1 terms of those particular technical issues?

2 A. Would I defer to his --

3 Q. Would you concede he has expertise in
4 these areas? Do you have any reason to disagree
5 with his expertise?

6 A. No, I don't have any reason to disagree
7 with that.

8 Q. And then on the second half of that
9 paragraph, it talks about, "Wet electrostatic
10 precipitators can achieve up to 99 percent control
11 of particulate in the PM2.5 size range." Do you
12 agree with that?

13 A. I'm very sorry. Where are we again?

14 Q. Turning on the next page, Page 6, and at
15 the top, it's a continuation of the same Paragraph
16 8, Paragraph 8 that we were just talking about.
17 Do you see that? Do you agree with the clause,
18 "Wet electrostatic precipitators (ESP) can achieve
19 up to 99 percent control of particulate in the
20 PM2.5 size range"? Do you agree with that, or any
21 reason to disagree with that?

22 A. My reasoning for -- I can't say that
23 that's a true statement, because I don't think
24 that it's generally common knowledge to know what
25 uncontrolled emissions of PM2.5, specifically

1 PM2.5 are for this boiler. If you don't know what
2 uncontrolled emissions are, you cannot make that
3 type of a determination.

4 Q. But the question -- I'm not asking the
5 question in terms of this particular boiler. I'm
6 asking the question generally. Do you agree that
7 there is information available to you to say that
8 there are wet electrostatic precipitators which
9 can achieve up to 99 percent control of
10 particulate in the PM2.5 size range?

11 A. I disagree with that.

12 Q. You don't agree that there is
13 information or that -- Do you agree -- So you're
14 disagreeing with Mr. Taylor about that technology?

15 A. I'm disagreeing that there is -- I've
16 not seen that information. That's what I'm
17 saying.

18 Q. That's fine. And No. 9 I assume is
19 correct that you did not consider using membrane
20 bags?

21 A. That's correct.

22 Q. And No. 10, I think we've had some
23 discussion about. You did consider wet ESP as a
24 part of a combination with wet FGD? You did
25 consider wet ESP as a technology as a part in

1 combination for control of condensibles; is that
2 correct?

3 A. That's correct, and also stand alone for
4 filterable PM10.

5 Q. I didn't see that. Maybe I missed that.

6 A. I can point you to the permit location,
7 if you'd like.

8 Q. That's fine. So where did you get the
9 information about the efficiency of wet ESP?
10 Where did that come from in that combination?

11 A. That would have been provided by the
12 applicant.

13 Q. And did you know which particular vendor
14 or which particular wet ESP manufacturer was being
15 utilized to do that analysis?

16 A. No.

17 Q. That particular information was not
18 provided as part of the permit application, where
19 they got that information?

20 A. To the best of my recollection, they did
21 not provide a vendor name for their specific
22 technology proposed or analyzed.

23 Q. Let me step back one simplistic
24 question. Exhibit 4 in this case is the
25 application, I think. Do you get more than just

1 that application, or is that all you get? Do you
2 get like sort of a background box of appendices
3 where they got this information, or the source
4 material for how they decided that they were going
5 to get this level of efficiency? Do you get
6 anything more than that, or do you just get the
7 little application?

8 A. The application itself -- What's
9 provided in Exhibit 4 is small pieces of the
10 application. The application itself is somewhere
11 around 500 pages long, including appendices,
12 modeling analyses, coal specifications. There
13 were also DVD's provided for a coal test burn that
14 took place. There was lots of information.

15 Q. I assumed that. That's what I --
16 because when you say, "They provided us with
17 information about the efficiency of that
18 particular combination technology," you had
19 something more than just that little chart?

20 A. Yes.

21 Q. So combination technologies including
22 wet ESP was something that was provided to you as
23 an alternative by SME; is that correct? In their
24 own BACT; is that right? The wet FGD followed by
25 the wet ESP was one of the technologies, which was

1 a combination technology, which was provided to
2 you as a part of the BACT that Bison or the people
3 working for Bison did and submitted to you; is
4 that correct?

5 A. For condensible PM, yes.

6 Q. And wet ESP standing alone was also
7 considered as a part of the filterable?

8 A. That's correct.

9 Q. So Mr. Taylor yesterday proposed a
10 baghouse plus wet ESP filterable bag technology
11 followed by a wet ESP. That's another combination
12 technology, not unlike the combination technology
13 that was part of the BACT given to you by Bison;
14 is that correct? It's another combination
15 technology; is that correct?

16 A. That is correct.

17 Q. Let's skip No. 11 and No. 12 because
18 there is a lot of information in the permit that
19 talks about some of the same stuff; and then we'll
20 skip No. 13, No. 14, No. 15. I think they've been
21 talked about by Miss --

22 No. 17. This goes to the Seitz memo
23 that was part of your testimony yesterday. I'll
24 give you a chance to read through that, and I'm
25 going to just ask one question.

1 MR. REICH: What number are we on?

2 MR. ROSSBACH: I'm on No. 17. I think
3 we've dealt with those plenty, the Forest Service
4 and all that other stuff.

5 Q. (By Mr. Rossbach) Do you see No, 17,
6 Eric? Have you had a chance to read that?

7 A. Yes.

8 Q. That's the memo that Mr. Seitz sort of
9 set out the concerns that they had in 1997 about
10 doing a PM2.5 BACT, so they basically authorized
11 the states as the delegated Clean Air Act agency
12 to use the PM10 surrogate; is that correct?

13 A. That's correct.

14 Q. That's where that came from?

15 A. That's correct.

16 Q. And then No. 18. This so-called Seitz
17 memo was never adopted through notice and comment
18 federal rulemaking; is that correct?

19 A. That is correct.

20 Q. And do you agree that -- Look at No. 19,
21 and read that through for me, if you would.

22 A. (Examines document) Out loud?

23 Q. No, just read through it. I don't want
24 to ask you a question without giving you a chance
25 to look at it.

1 A. (Examines document)

2 Q. So the memo does provide that -- the
3 statements in that memo do not bind the state, and
4 local governments, and public as a matter of law;
5 is that correct?

6 A. That is correct.

7 Q. The Seitz memo doesn't bind you to using
8 PM10 as a surrogate, does it?

9 A. It does not.

10 Q. It doesn't require you that -- the only
11 way you can do a BACT for a power plant is by
12 using PM10 as a surrogate; is that right? You
13 could have come up with another method if you felt
14 that you, as the delegated agency, wanted to do a
15 different way of looking at it?

16 A. That's correct.

17 Q. So you had a choice then about whether
18 to use PM10? You weren't required to use PM10 as
19 a surrogate; is that right?

20 A. That's correct.

21 Q. Let's look at No. 20. "The Seitz memo's
22 guidance to rely on BACT analysis for PM10 --" and
23 I'll add as a surrogate -- "does not ensure
24 maximum achievable reductions in emissions of
25 PM2.5;" do you agree with that?

1 A. Yes.

2 Q. Then look at No. 21, if you would, and
3 read through that for a minute briefly.

4 A. (Complies)

5 Q. We'll take it one part at a time. Do
6 you agree that a control technology that is deemed
7 to be BACT for PM10 may not be BACT for PM2.5?

8 A. I think we have to put this in context
9 here. I think that that's --

10 Q. Let's start with answer the question,
11 and then we'll put it in context.

12 MR. REICH: I object. I think he should
13 be entitled to answer questions.

14 MR. ROSSBACH: He can answer my
15 question, which is yes or no, and then he can --
16 I'm not going cut him off from explaining, or you
17 can -- Mr. Russell would have a chance --

18 Q. (By Mr. Rossbach) Eric, yes or no.

19 A. Yes.

20 Q. And then, "In general, control
21 technologies that are highly effective at
22 controlling PM10 will achieve lesser control
23 efficiencies for PM2.5;" do you agree with that?

24 A. I cannot say whether or not that's true,
25 no.

1 Q. And then the last question is, "At the
2 same time, some particulate matter control such as
3 membrane bags and wet ESP are better than others
4 -- are better than others at capturing smaller
5 particles." I think we've already addressed that.
6 Yes or no?

7 A. I don't have that information.

8 Q. So going back to Mr. Reich's concern, I
9 want to give you a chance to put it in context.

10 A. What I was saying there -- "A control
11 technology that is deemed to be BACT for PM10 may
12 not be BACT for PM2.5" -- and I generally answered
13 yes.

14 However, the BACT process requires
15 certain things. I don't think that the BACT -- I
16 think there are technical problems right now that
17 still exist, some of which are highlighted in the
18 Seitz memo, to conducting a PM2.5 BACT. So I
19 don't know that you can make that statement. We
20 have to know what uncontrolled PM2.5 emissions are
21 in order to conduct a BACT analysis, direct PM2.5
22 emissions. We don't have that ability right now.

23 Q. Well, I heard Mr. Taylor say that you
24 could have asked the boiler manufacturer what the
25 uncontrolled emissions were for that particular

1 boiler, and that if they didn't know, in order to
2 sell the boiler, they do a test burn, they do the
3 lab work, they try to tell you what that number
4 was so that you would buy that from them. So if
5 you had gone to SME and demanded that you knew
6 what the 2.5 was, SME would have gotten it for
7 you; don't you think that's true?

8 A. No, I don't. In general, I think that
9 one of the problems here that we're talking about
10 is: There is no promulgated and approved direct
11 PM2.5 emissions monitoring test, so I don't know
12 how you would get that information. And in
13 addition -- and I'll just put this for my purposes
14 here, for answering your question -- without Mr.
15 Taylor providing Alstom's spec sheet which shows a
16 PM2.5 direct emission factor, I believe that
17 that's hearsay.

18 Q. Well --

19 A. I can't rely on that. Maybe I used the
20 wrong term.

21 Q. Calls for a legal conclusion.

22 A. Calls for a legal conclusion. I can't
23 say that.

24 Q. I understand what your concern is. All
25 I heard was Mr. Taylor yesterday say that as a

1 representative of a boiler manufacturer, if
2 someone had come to him and said, "We want to buy
3 your boiler, and we want to know what the
4 uncontrolled emissions are," they would have found
5 out. That's all I'm following up on, what he
6 said. And so I'm just wondering if you had wanted
7 and you had insisted that you find out what the
8 2.5 was, they would have gotten you some
9 information, wouldn't they? They would have told
10 you, "Well, we're not certain about it, but we
11 believe it's about this, because this is how we
12 came about it." Don't you think they would have
13 done that if you would have asked them?

14 A. I think your question has a lot of
15 speculation in it. I don't know that that's true.

16 Q. Well, at least Mr. Taylor, when he was
17 working for a boiler manufacturer, he would have
18 tried to provide you that; isn't that what he said
19 yesterday?

20 A. That's what he said.

21 Q. Do you agree with the first sentence of
22 No. 22, "PM2.5 is significantly more toxic in
23 smaller concentrations than PM10"?

24 A. I believe that's depending on what the
25 PM10 is made of. I guess there could be some

1 toxic characteristic of a specific particle in the
2 PM10 range. But given what I've read before and
3 the EPA studies, and other studies, generally
4 PM2.5 is more hazardous than PM10.

5 Q. Then look at No. 23. And as somebody
6 who does BACT, maybe you can tell me whether you
7 agree or disagree with No. 23. "Because PM2.5 is
8 more dangerous than PM10, technologies that
9 achieve higher control efficiencies for PM2.5 or
10 its precursors may be considered cost effective in
11 a BACT analysis for PM2.5, whereas in a BACT
12 analysis for PM10, the same technologies would be
13 considered unreasonably expensive." Do you agree
14 with that?

15 A. Again, based on the information that I
16 have available to me, I don't think that that
17 analysis can be done at this point.

18 Q. Well --

19 A. At least in a defensible manner.

20 Q. I understand. Let's skip ahead to No.
21 25. No. 26. This is made of record. It has to
22 do with the Federal Register that was brought to
23 us yesterday. "As EPA knowledge in 2005, no new
24 regulations are required to conduct BACT analysis
25 for PM2.5;" do you agree with that?

1 A. Are you on No. 25 here?

2 Q. 26. Let's go back to No. 25. Let's
3 start with No. 25. Do you agree that in November
4 2005, EPA announced that concerns raised in the
5 Seitz memo had largely been resolved, and on this
6 basis, the agency proposed new implementation
7 rules with respect to 2.5;" do you agree with
8 that?

9 A. That's a statement, yes, out of that
10 document, the Federal Register.

11 MR. REICH: I'm just going to object,
12 Mr. Rossbach. We should have the right to read
13 other pertinent provisions of that regulation,
14 because that doesn't --

15 MR. ROSSBACH: But the regulation is
16 record.

17 MR. REICH: You're taking pieces of it
18 and cross-examining on those pieces, and it's not
19 fair -- the entire context. That's all.

20 CHAIRMAN RUSSELL: I tend to agree,
21 Bill, because I'm reading parts of that same
22 document, both of the CFR's, and I can pull
23 portions up that state -- and I don't want to act
24 like an advocate for any party, but it talks about
25 -- in the 2005 record, it talks about PSD coming

1 later.

2 MR. ROSSBACH: That's fine.

3 CHAIRMAN RUSSELL: Let's just be really
4 careful. I'm sure you feel you are.

5 MR. ROSSBACH: I'm just going through
6 trying to get straight what we agree or don't
7 agree with. That's all. Because I'm not sure
8 what we agree or don't agree with after hearing
9 the testimony so far.

10 Q. (By Mr. Rossbach) Do you agree with the
11 statement then that out of the -- Do you have any
12 reason to disagree that the 1997 guidance stated
13 that sources would be allowed to use
14 implementation of PM10 as a surrogate for NSR
15 requirements until certain difficulties were
16 resolved, primarily the lack of tools to calculate
17 emissions of PM2.5 and related precursors --" I
18 think you've talked about that -- "the lack of
19 adequate modeling techniques to project ambient
20 impacts and the lack of 2.5 monitoring. As
21 discussed in this preamble, those difficulties
22 have been resolved in most respects, and where
23 they have not been, the proposal contains
24 appropriate provisions to account for it."

25 I'm finishing up on No. 25. This is a

1 quote from the Federal Reg. You were aware of
2 that Federal Register statement guidance by EPA?

3 A. Yes.

4 Q. And then in No. 26, are you aware that,
5 "The EPA acknowledged in 2005 that no new
6 regulations were required to conduct a BACT
7 analysis for PM2.5. The requirements applicable
8 to New Source Reviews and SIP for the obligation
9 to subject sources to NSR permitting for PM2.5,
10 direct emissions are codified in the existing
11 federal regulation, and can be implemented without
12 specific regulatory changes." Do you agree with
13 that as stated?

14 MR. REICH: Same objection.

15 Q. (By Mr. Rossbach) Any reason to
16 disagree with that coming from the Federal
17 Register?

18 A. That's what it says.

19 Q. Emission factors that -- Let's just get
20 a clarification, go back. An emission factor is
21 like a published statement that provides some
22 guidance based upon lots and lots of testing of
23 different comparable boilers to come up with an
24 assumption about how much of a particular
25 uncontrolled particulate will come out of a boiler

1 of a certain technology; is that how that works?

2 A. It's a tool used to estimate emissions,
3 yes, based on --

4 Q. It's an estimate based upon lots of data
5 gathered; is that correct?

6 A. That's correct.

7 Q. But as I understand it, you also depend
8 upon the manufacturers to get specific technology
9 information about the particular technologies that
10 are proposed on a case-by-case basis; isn't that
11 true?

12 A. Yes. I think that the ideal emission
13 factor would be one that is based on the unit that
14 you're analyzing, whereas a generally published
15 emission factor might be just a best guess, best
16 estimate.

17 Q. So obviously the best thing that you
18 could do is get the specific data from the boiler,
19 and the type of coal that they were going to burn;
20 is that true?

21 A. That would be the best emission factor,
22 yes.

23 Q. So when you said -- So what I was
24 confused about yesterday, when you said there was
25 no published emission factor for 2.5, it's just

1 that there hadn't been enough data gathered yet,
2 or a consensus about what that would be; is that
3 correct?

4 A. I'm not aware of a published emission
5 factor for this type of unit, yes.

6 Q. I understand that. It just hasn't
7 gotten there yet; is that correct? At some point,
8 there will be a published emission factor?

9 A. That would be my hope and assumption,
10 yes.

11 Q. But you don't need an emission factor,
12 because you could -- at a specific site, if they
13 had provided you with 2.5, you wouldn't have gone
14 to an emission factor, you would have used what
15 they gave you; isn't that true?

16 A. Had I had a reliable way of estimating
17 PM2.5 emissions, I believe that I could have
18 conducted a BACT analysis specific to PM2.5.

19 Q. Looking at No. 28, maybe we can take a
20 minute because it's a long one there, and as
21 somebody who is not as familiar with these test
22 methods as maybe you are. Did you look at that
23 for me? Have you had a chance?

24 A. For the record, I'm just going to state
25 at the outset here: When talking about

1 conditional test methods and referenced methods,
2 I'm aware of what they are, and what they're
3 intended to be used for. I'm not a compliance
4 officer. I don't have any stack testing
5 experience. My experience would just be based on
6 things that I've analyzed. So I can't speak to
7 the test methods themselves.

8 Q. That's fine. Are you aware that the EPA
9 has developed three different test methods for
10 measuring condensible particulate emissions?

11 A. I'm aware that there are conditional
12 test methods available.

13 Q. That's fine.

14 A. As well as Promulgated Test Method 202
15 for condensibles, which has been shown to have
16 some problems.

17 Q. Do you know the efficiency of the fabric
18 filter for controlling 2.5? Is that something
19 that a manufacturer of a fabric filter would be
20 able to provide you with?

21 A. Again, I'll just state: Based on the
22 information I've had available to me, you would
23 need to know what the uncontrolled emissions going
24 into that baghouse were prior to having any
25 understanding of what the control efficiency would

1 be. And I don't have that information available.

2 Q. I'm not talking about a particular
3 component of it. You can't tell by the nature of
4 the materials and the function -- Doesn't a vendor
5 tell you what they think the efficiency of their
6 particular product is going to be for particular
7 chemicals, particles, whatever?

8 A. They don't tell me what -- and to the
9 best of my knowledge, they don't tell the
10 consultant either, what the control efficiency is
11 for PM2.5. Now, you're talking about the
12 material. Let's also understand that with a
13 fabric filter, you're getting particulate control
14 through the filter cake build-up on the bag. So I
15 don't know --

16 Q. But the overall functioning of that
17 particular technology, isn't that something that
18 the manufacturer is going to want to promote to be
19 able to sell his product? "Ours is more efficient
20 than our competitor's." Somewhere that
21 information is available, isn't it?

22 A. Not to the best of my knowledge, no,
23 it's not available.

24 Q. Well, that's fine. How does SME decide
25 whether they're going to buy Company ABC's product

1 versus Company XYZ's product? How do they decide
2 which one, other than cost? Is there some other
3 efficiency that they look at? Somebody who comes
4 to a plant, comes to their office, and says,
5 "Here. Ours is better than XYZ's because we can
6 control sulphuric acid better," or "We can
7 control, because of the particular weave, or the
8 particular fabric material, or the way that we put
9 the teflon into the material"?

10 You said to us that the teflon is more
11 efficient. Is it more efficient at 2.5, or only
12 at ten, or can we find that out?

13 A. I wasn't part of SME's development plan
14 for this permit. I reviewed the information
15 pertinent to this project from a control and
16 emission standpoint, based on the information
17 available and what the law says.

18 Q. But that's information -- Have you ever
19 tried to get that information? Have you ever
20 asked them, "How do you know it's going to work?"
21 Don't they have to depend upon a manufacturer
22 telling them, "We're going to get this
23 efficiency," for them to do their BACT? Don't
24 they have to depend upon somebody telling them --

25 A. I think that I stated yesterday that

1 part of the issue here is that we rely on the
2 application, because they have lots of time to
3 evaluate this -- as you've just discussed -- and
4 I've got a period of time which is significantly
5 shorter than that to evaluate it.

6 So I need to take information that I
7 have available to me through the application, and
8 some of my own research, certainly my own research
9 to verify the information and that kind of thing
10 that's provided to me. But I don't know -- I
11 can't -- I can tell you with a high level of
12 confidence that if I called Alstom Boilers and
13 asked for that emission factor, it would not be
14 given to me, either because it's not available, or
15 because it's not something that they want to
16 share. I don't know. It's all speculation.

17 Q. I understand. But somebody someplace in
18 the chain of things had to make a decision as to
19 whether to use an XYZ bag or an ABC bag, and that
20 has to be based upon specifications; don't you
21 think that would be likely?

22 A. That's very likely. I don't know that
23 that would be something that they had for PM2.5.
24 I just don't know that. I don't know that.

25 Q. I understand. I'm not accusing you of

1 anything. I'm just trying to find out what you
2 did know, and what you could have known if you
3 would have asked them for it. Presumably
4 someplace in this had this information for them to
5 be making these decisions. I just heard what Mr.
6 Taylor said he would have provided as a vendor,
7 and I'm trying to find out what they told you.
8 That's all.

9 A. They did not tell me that. They did not
10 give me that information.

11 Q. So going back a little bit to the -- let
12 me ask you one other thing. Mr. Rusoff asked you
13 about the use of an emission standard for
14 condensibles; is that correct? Do you remember
15 that discussion about that that was something that
16 EPA had suggested, that you didn't need to impose
17 a condensible limit until 2011 or something like
18 that? Do you remember that?

19 A. Yes.

20 Q. SME asked you to not have a condensible
21 limit; isn't that true?

22 A. That's correct.

23 Q. But you guys decided that was something
24 that you felt was appropriate to have at this
25 time; is that correct?

1 A. That's correct.

2 Q. And you felt that there were the tools
3 available at that time to impose those kind of
4 limits and to be able to monitor their compliance
5 with them prior to 2011; isn't that correct?

6 A. That's correct. Based on information
7 included in the application, we felt like we had
8 the information necessary to estimate and limit
9 condensible PM emissions based on precursor
10 pollutants.

11 Q. So just let me understand it, and sort
12 of break this down a little bit. Essentially you
13 had a choice? You had a choice to either impose a
14 condensible limit or not, and EPA told you that
15 you have a choice? They were recommending to you
16 not to include it, and SME asked you not to
17 include it, but in that instance you decided to go
18 forward and include it; isn't that true?

19 A. That is true.

20 Q. It's a different situation with PM2.5.
21 EPA didn't tell you you had to use the surrogate
22 anymore. In fact, the 2005 Federal Register
23 suggested that most of the problems with 2.5 had
24 been resolved. But in that instance, you chose to
25 do what SME wanted; is that correct?

1 MR. REICH: Objection to your
2 characterization of that question. It doesn't say
3 that.

4 A. There is a difference between -- There
5 is a big difference there in your statement, and
6 that is: I believed through the application that
7 I had enough information to analyze and limit
8 condensable particulate matter. I do not have,
9 and do not believe, and it was not provided to me
10 any information regarding direct PM2.5 emissions.
11 Therefore, I don't have that component. How can I
12 directly regulate PM2.5 in a defensible manner? I
13 could make something up, I guess, but that would
14 not be defensible.

15 Q. (By Mr. Rossbach) You could have asked
16 them for that information, too, couldn't you? We
17 already had said that?

18 A. Again, to the best of my recollection,
19 that was part of a conversation at some point
20 during the process, but absent that information, I
21 relied on the defensible surrogate approach that
22 is suggested by EPA.

23 Q. Right. But what we have here is: You
24 asked for it; they didn't give it to you; and you
25 were satisfied with that for some reason. And we

1 don't have a record of why they denied giving you
2 that information. All we know is they didn't give
3 you that information, and you let it go. And you
4 had a choice to demand that information and you
5 didn't. You had a choice to make them comply with
6 a condensable limit, and you did, and I applaud
7 you for that. I'm thrilled that you did that.

8 But I wonder why you didn't just go and
9 say, "Okay. We've had ten years of NAAQS. We
10 know that 2.5 is much more hazardous. We know
11 that the PM10 surrogate doesn't get all -- doesn't
12 really tell us how much 2.5 is getting out there,"
13 and you didn't ask them and insist that they have
14 -- that they provide you with that information.
15 Why is that?

16 MR. REICH: Objection. The question
17 assumes a fact not in existence, which is that SME
18 denied or the boiler denied giving the
19 information. He did not testify to that.

20 Q. (By Mr. Rossbach) You didn't get the
21 information, and you didn't ask for it, you didn't
22 insist on it?

23 A. Based on my experience in going back
24 many years and analyzing many projects, it's my
25 understanding that the EPA policy is that using a

1 surrogate is an acceptable and defensible process
2 which is used by every state, by EPA, by everyone
3 who is in this business. That is an acceptable
4 methodology. Therefore, in the absence of that
5 information being provided to me through the
6 application process, I relied on a process which
7 is defensible and appropriate by all standards.

8 Q. But it wasn't a required process?

9 A. It was not a required process.

10 Q. Just to kind of follow up. And I don't
11 remember. With the October 3rd comment sheet that
12 you wrote.

13 A. The draft.

14 MS. DILLEN: I believe it's Exhibit H.

15 Q. (By Mr. Rossbach) Do you have that,
16 Eric?

17 A. I do.

18 Q. Let's look at Page 3. Do you see Page
19 3?

20 A. Yes.

21 Q. I'm looking at No. 9. Do you see that?

22 A. Item 9 on Page 3, yes.

23 Q. Item 9, yes. So after you did the
24 analysis of the permit application, one of the
25 things that you were going to insist on is that

1 SME/HGS must provide manufacturer's specifications
2 or other appropriate information indicating that
3 any proposed baghouse and emission rates of 0.005
4 grams per -- I don't know what TCH is.

5 A. Grains per dry standard cubic foot.

6 Q. And 0.01 Gr. per DSCF KCF achievable.

7 So at least in that instance, you felt you had the
8 ability to insist that they provide manufacturer's
9 specifications for emission rates, didn't you?

10 CHAIRMAN RUSSELL: Does anyone have a
11 background in stoic geometry? Do you know what
12 those equate to in the same units that we're
13 dealing with?

14 MR. ROSSBACH: No.

15 CHAIRMAN RUSSELL: Do you know what they
16 equate to?

17 MS. SHROPSHIRE: What is DSCF?

18 THE WITNESS: Dry standard cubic foot.
19 So that's a relatively simple --

20 CHAIRMAN RUSSELL: So someone needs to
21 calculate --

22 MS. SHROPSHIRE: Actually it's a number,
23 grains, particle --

24 MR. ROSSBACH: It's not relevant to my
25 question.

1 MS. SHROPSHIRE: Number per volume.

2 CHAIRMAN RUSSELL: It could be very
3 relevant because of the efficiencies of a baghouse
4 to control the dust coming off the conveyor belt.

5 MR. ROSSBACH: That's a very good point.

6 MS. SHROPSHIRE: So the concentration
7 basically --

8 Q. (By Mr. Rossbach) I guess my question,
9 Eric, is: At least in this instance, you felt
10 that it was in your power and authority to insist
11 that they provide you with manufacturing
12 specifications for those emission rates; isn't
13 that true?

14 A. Not for PM2.5.

15 Q. Well, you asked them for emission rates?

16 A. Yes.

17 Q. You felt it was within your authority to
18 ask for emission rates?

19 A. Oh, absolutely.

20 MR. ROSSBACH: I don't have any other
21 questions.

22 MR. REICH: Mr. Chair, just before we
23 break, if Mr. Rossbach has no further questions, I
24 would ask that either a Board member or one of
25 Counsel be allowed to go through the State and

1 SME's contentions, so this is a fair proceeding,
2 because Mr. Rossbach has spent the last hour
3 cross-examining Mr. Merchant only on the unagreed
4 contentions of Petitioners, and it's entirely
5 unfair that you have a one-sided presentation of
6 the Petitioners' case through Mr. Merchant without
7 an opportunity both to cross-examine Mr. Merchant
8 on our contentions, as well as perhaps Mr. Taylor
9 up --

10 MR. ROSSBACH: Can I respond?

11 CHAIRMAN RUSSELL: I'm thinking that you
12 could, but I wonder if --

13 MR. ROSSBACH: But he hasn't even
14 started his case. He can do with his case
15 whatever wants to.

16 CHAIRMAN RUSSELL: Maybe it would be
17 more appropriate for you to go through DEQ and
18 SME's with your witness, and I will designate
19 someone on the Board to go through those.

20 MR. REICH: I'd happy to. I would also
21 point out that MEIC had already finished its case,
22 and now we're doing MEIC's case through Mr.
23 Merchant. I just don't think it's a fair process.

24 CHAIRMAN RUSSELL: Duly noted. If you
25 want to file anything on that, you certainly

1 could.

2 MR. REICH: I make my objection for
3 record. I may file something. I'm making my
4 objection for the record.

5 CHAIRMAN RUSSELL: Unless there is some
6 other Board members that would like to ask the
7 Department through Eric any further questions, or
8 maybe it's just Eric, do so now, because we will
9 be taking a lunch break here any moment.

10 MR. MIRES: I do have some just
11 clarifications for my ignorance.

12

13 EXAMINATION

14 BY MR. MIRES:

15 Q. Can you define for me what the
16 definition is of a nonattainment area.

17 A. Yes. It's pollutant specific, and the
18 example I'll use is particulate matter less than
19 ten microns, for example. PM10, an area,
20 generally an area anywhere in the US, let's say
21 Helena, for example, or let's use -- in this case
22 we'll use Missoula is a PM10 nonattainment area.
23 That means the level, the ambient concentration of
24 particulate matter less than ten microns in the
25 ambient air that we breathe every day is higher